

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6186

BILL NUMBER: HB 1339

DATE PREPARED: Oct 31, 2001

BILL AMENDED:

SUBJECT: Boat and Boating Matters.

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill: 1) provides consistency in the number of days stated in the Code that a registered motorboat may be stored and not used on state waters before excise tax liability is incurred; 2) exempts nonresidents from Boat Excise Tax for stored boats that are not operated, used, or docked in state waters; 3) exempts a nonresident's motorboat from registration if the motorboat is legally registered in another state; and 4) changes the number and display method for boat dealer license plates.

Effective Date: July 1, 2002; January 1, 2003.

Explanation of State Expenditures: 4) The bill changes in the number and display of boat dealer license plates.

Fiscal Impact

This part of the proposal will have minimal impact on the expenditures of the Bureau of Motor Vehicles (BMV). The fund affected is the Motor Vehicle Highway Account which supports the BMV.

Background Information

The cost to produce the dealer license plates is \$0.41 per plate. The BMV reports that their inventory is such that they have not purchased these plates in several years and do not plan to purchase any additional plates in the near future.

Explanation of State Revenues: 1) The bill expands the number of days from 22 to 60 that a registered motorboat may be stored and not used on state waters before excise tax liability is incurred.

Fiscal Impact

This could reduce the amount of excise tax collected, but the amount is indeterminable.

2) The bill also provides an exemption from the Boat Excise Tax for boats stored in Indiana and not operated, used, or docked in Indiana waters.

Fiscal Impact

In CY 2000, there were 185 boats held in storage. The Bureau of Motor Vehicles Commission (BMVC) collects a processing fee for each transaction. In CY 2000, the BMVC collected \$55.20 in fees. This exemption would result in a revenue loss to the BMVC.

3) The bill also exempts a motorboat from registration in Indiana if the motorboat is legally registered in another state and the owner is not an Indiana resident.

Fiscal Impact

Specific data on the number of motorboats affected by this provision are not available. There will be an indeterminable revenue loss to the Fish and Wildlife Fund where the registration fee is deposited.

Background Information

Every motorboat on the waters of Indiana must be registered and numbered. Fees are charged according to the length of the boat and are valid for a one-year period.

Explanation of Local Expenditures:

Explanation of Local Revenues: 2) The bill provides an exemption from the Boat Excise Tax for boats stored in Indiana and not operated, used, or docked in Indiana waters.

Fiscal Impact

In CY 2000, the Boat Excise Tax paid for boats in storage amounted to \$1,048. The exemption of these boats will result in a revenue loss to counties.

Background Information

The Boat Excise Tax is assessed based on the class and age of the watercraft. The class is based on the value of the watercraft when new. The Boat Excise Tax is distributed to the counties in which the watercraft is registered. This tax is paid at the same time that the boat owner pays or would pay the registration fee and Motor Vehicle Excise taxes on motor vehicles.

State Agencies Affected: Bureau of Motor Vehicles; Department of Natural Resources.

Local Agencies Affected: Counties which receive Boat Excise Tax revenue.

Information Sources: Bureau of Motor Vehicles Cash Audit for CY 2000; Al Schnelker, Indiana Marine Association, 219-749-8909; Kent Reineking, 765-458-7431; Sam Purvis, Training/Services, Department of Natural Resources, 233-3847; Dave Blankenship, Bureau of Motor Vehicles, 232-4688.

